

**FILED****MAY 30 2008****May 30, 2008****MICHAEL W. DOBBINS  
CLERK, U.S. DISTRICT COURT****IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION****LINDA L. MACK  
(a/ka/ LYNNE L. MACK),****Plaintiff,****v.****BARRY S. MARAM, in his  
official capacity as Director  
of the Illinois Department of  
Healthcare and Family Services****and****CAROL L. ADAMS, in her  
official capacity as Secretary  
of the Illinois Department of  
Human Services,****Defendants**

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**08CV3127****JUDGE KENNELLY****MAG. JUDGE COX****INTRODUCTION**

1. Linda L. Mack, a/k/a Lynne L. Mack, (hereinafter "Ms. Mack") is currently an inpatient resident at Brentwood North Nursing and Rehab, 3705 Deerfield Road, Riverwoods, IL 60015 (hereinafter "the nursing home"). She at all times prior to its sale on November 29, 2006 was the owner of 1653 Tahoe Circle Drive, Wheeling, IL 60090 (hereinafter "Ms. Mack's home").

2. Ms. Mack is bringing this action against Barry S. Maram (hereinafter "Maram"), in his official capacity as Director of the Illinois Department of Healthcare and Family Services (hereinafter "HFS") and against Carol L. Adams, (hereinafter "Adams") in her official capacity as Secretary of the Illinois Department of Human Services (hereinafter "DHS").

3. Maram placed a lien on Ms. Mack's home without proper notice and opportunity to be heard on the issue of whether Ms. Mack could "reasonably be expected to be discharged from the nursing home and to return home." 42 U.S.C. §1396p(a)(1)(b)(ii).

4. On November 29, 2006, Ms. Mack signed and Attorney's Title Guaranty Fund, Inc (hereinafter "ATG") accepted the "Personal Undertaking With Title Indemnity Deposit Agreement" (hereinafter "the TI Agreement") No. OMC 060600900087. A copy of the TI Agreement is attached hereto as Exhibit 1 and is incorporated herein by reference.

5. Pursuant to the TI Agreement, the amount of \$35,000.00 (hereinafter "the TI deposit") was withheld from Ms. Mack's sale proceeds and held in the TI escrow by ATG to indemnify ATG for the "St(ate) of Ill(inois) Dep(artment) of Healthcare & Family Services (lien)" (parenthetical insertions added).

6. The funds in the TI escrow are therefore not available or accessible to Ms. Mack.

7. Ms. Mack brings this action for a declaration by this Court that Maram's lien on Ms. Mack's home is and was invalid, and other relief.

8. No proceeding on this issue is pending before the Cook County Circuit Court or in any other state or federal court or administrative agency.

#### JURISDICTION

9. This Court has jurisdiction of this action under 28 U.S.C. §1331, and this action arises under the federal Medicaid statute (42 U.S.C. §1396p), under the 14<sup>th</sup> Amendment of the United States Constitution, and 42 U.S.C. §§ 1983 and 1988.

#### VENUE

10. Defendants Maram and Adams have offices and do business in Chicago, Cook County, Illinois, and therefore venue in this judicial district is proper under 28 U.S.C. §§1391(b) (1) and 139(b)(2).

**THE PARTIES**

11. Ms. Mack, at all relevant times in this action owned, occupied, and/or has intended to return to her home at 1653 Tahoe Circle Drive, in Wheeling, Cook County, Illinois (hereinafter "Ms. Mack's home), and since its sale has resided at the nursing home.

12. Defendant Maram is Director of HFS, which has one of its principal offices in Chicago, Cook County, Illinois, within the Northern District of Illinois Eastern Division.

13. As Director, he is responsible for supervising the activities of HFS, including management of the Medicaid program once eligibility has been determined.

14. Defendant Adams is Secretary of DHS, which has one of its principal offices in Chicago, Cook County, Illinois, within the Northern District of Illinois Eastern Division.

15. As Secretary, Adams is responsible for supervising the activities of DHS, including its determination of eligibility for the Medicaid program, and appeals of Medicaid denials.

16. Attorney' Title Guaranty Fund, Inc, (hereinafter "ATG"), is not a party to this action, and is an Illinois domestic corporation.

**FACTS**

17. Ms. Mack is 59 years of age. She is permanently disabled from right side paralysis and she is confined to a wheelchair.

18. Ms. Mack is a recipient of Medicaid under HFS Case Number 93-057-090756.

19. Ms. Mack has been a resident of Brentwood North Nursing & Rehab, 3705 Deerfield Road, Riverwoods, IL 60025 (hereinafter "the nursing home") moreorless continuously since April of 2005.

20. Ms. Mack repeatedly has expressed a desire to return to her aforesaid home.

21. Ms. Mack asserts that her efforts to return to her home have been delayed or prevented by her need for a medical van to transport her to physical therapy offsite from the

location of the nursing home, and by defendant Maram's failure, refusal, or inability to provide Ms. Mack with this offsite therapy.

22. In addition, Ms. Mack's ability to return to her home has been delayed or prevented by defendant Maram's failure, refusal or inability to provide Ms. Mack with a motorized wheelchair.

23. On September 29, 2006, the HFS local office in Lake County (Park City) , Illinois (hereinafter "HFS office") sent to Ms. Mack a "Notification of Intent to File a Lien" (hereinafter "HFS Notice"). A copy of the HFS notice is attached hereto as Exhibit 2 and is incorporated herein by reference.

24. The HFS notice stated, in part, that under 305 ILCS §§ 5/3-10 and/or 5-13.5 that Defendant Maram had the right (emphasis added) to place a lien on Ms. Mack's home.

25. Upon information and belief, on or about September 29, 2006 the HFS office sent to Ms. Mack by First Class United States Mail, said HFS notice.

26. The HFS notice also states, in part that: "...Because you have lived in a medical institution for at least 120 days, we presume you cannot reasonably be expected to be discharged and return home. Consequently, we intend to file a lien against your real property."

27. On October 31, 2006, the HFS office filed a "Notice and Claim of Lien" (hereinafter "lien") against Ms. Mack's home.

28. This lien was recorded with the Recorder of Deeds in Lake County, Illinois, as document number 0630418095. The lien is attached hereto as Exhibit 3 and is incorporated herein by reference

29. An undated "Notification of Lien" (hereinafter "lien notification") appears to have been mailed to Ms. Mack on or around the time of the recording of the lien or shortly afterward. The lien notification is attached hereto as Exhibit 4 and is incorporated herein by reference.

30. On November 29, 2006, a letter appears to have been sent by Steve Bozee, Field Consultant, Liens and Estate Unit at the local HFS office (hereinafter "Bozee letter"), to one of Ms. Mack's attorney, Steven C. Perlis. The Bozee letter stated that "the actual amount of cash and/or medical assistance issued to Lynne Mack during the period from February 2006 through 11/29/2006 is \$22,861.26. Upon payment of the above to the Illinois Department of Healthcare and Family Services, a release will be issued for all liens the Department has filed against the property for the client, namely Document(s) 0603418095". The Bozee letter is attached hereto as Exhibit 5 and is incorporated herein by reference.

31. On January 5, 2007, HFS Assistant General Counsel Daniel Leikvold (hereinafter "Leikvold") wrote to attorney Perlis, and stated "I discussed this matter with the Bureau of Collections, which handles liens for the Department. We agree that there is no basis for the Department to waive or release its lien in this case". Leikvold's letter to attorney Perlis is attached hereto as Exhibit 6 and is incorporated herein by reference.

32. Illinois Public Aid Code § 3-10 [305 ILCS 5/3-10] provides, in part, that the Medicaid agency may impose a lien on the legal or equitable interests of recipients in real property, under certain terms and conditions, and in respect to which interests a notice of lien has been recorded or filed as provided in Sections 3-10.2 and 3-10.3 of the Public Aid Code. A copy of Section 3-10 of the Public Aid Code is attached hereto as Exhibit 7 and is incorporated herein by reference.

33. Illinois Public Aid Code § 5-13.5 [305 ILCS 5/5-13.5] provides, in part, as follows:

"Sec. 5-13.5. Lien on real property interests. The State shall have a lien on all legal and equitable interests of recipients in real property, whether vested or contingent, including legal and equitable rights and interests of the recipient to coal, gas, oil, iron, and other underground mineral resources, for medical assistance paid under this Article and for payments made to preserve the lien, to the

extent those liens are allowed under the federal Social Security Act. (emphasis added)...”

34. On November 29, 2006, Ms. Mack’s home was sold at a residential closing. The closing statement from said sale is attached hereto as Exhibit 8 and is incorporated herein by reference.

35. The closing statement contains a handwritten note on the bottom that Ms. Mack’s proceeds are “less \$35,000 TI escrow and \$150 title costs.”

36. Also on November 29, 2008 a “Settlement Statement” was executed between Ms. Mack, as Seller, and Michael A. Mollerino and Kimberly H. Mack, as Borrowers, with ATG providing a Settlement Agent Certification on said Settlement Statement. A copy of the Settlement Statement is attached hereto as Exhibit 9 and is incorporated herein by reference.

#### **STATUTORY AND REGULATORY BACKGROUND**

37. 42 U.S.C. § 1396p(a)(1) provides that prior to the death of an individual who is an inpatient in a nursing home, a lien may be imposed on the real property of that individual, on account of Medicaid paid or to be paid on the individual’s behalf, only after the state determines “after notice and opportunity for a hearing (in accordance with procedures established by the State), that [the individual] cannot reasonably be expected to be discharged from the [nursing home] and to return home.” 42 U.S.C. § 1396p(a)(1)(B) (ii).

38. 42 C.F.R. § 433.36(g)(2)(ii) provides that the Medicaid agency may impose a lien on the real property of an individual who is an inpatient in a nursing home on account of the Medicaid paid on the individual’s behalf only if “[t]he [Medicaid] agency determines that he or she cannot reasonably be expected to be discharged and return home. The agency must notify the individual of its intention to make that determination and provide an opportunity for a hearing in accordance with State established procedures before the determination is made (emphasis

added). This notice to an individual must include an explanation of liens and the effect on an individual's ownership of property."

39. The Illinois State Medicaid Plan (hereinafter "State Plan") has been submitted to the federal Center for Medicare and Medicaid Services (hereinafter "CMS").

40. Said State Plan does not contain any reference, per se, to a procedure in which institutionalized individuals are given notice that Defendant HFS intends to make a determination as to whether such individuals can reasonably be expected to be discharged and return home.

41. Likewise, said State Plan does not contain any reference to a procedure for a hearing prior to such a determination.

42. Rather said State Plan only provides for a general notification, on the back page of the HFS notice attached hereto as Exhibit 2, and which states as follows:

**"YOU HAVE THE RIGHT TO APPEAL THIS DECISION**

At any time within 60 days following the "Date of Notice" which appears on the front of this form, you have the right to appeal this decision and be given a fair hearing.....".

**FIRST STATEMENT OF CLAIM**

43. By virtue of the foregoing, Ms. Mack alleges that Defendants Maram and Adams have violated and are violating 42 U.S.C. § 1396p (a) (1) (B) (ii), as well as 42 C.F.R. §§ 433.36(d) and 433.3(g)(2)(ii).

**SECOND STATEMENT OF CLAIM**

44. Ms. Mack repeats and realleges each and every allegation set forth in Paragraphs 1 through 43 above as though fully set forth herein.

45. By virtue of the foregoing, Defendants Maram and Adams have violated and are violating Ms. Mack's right to procedural due process under the Due Process Clause of the Fourteenth (14<sup>th</sup>) Amendment of the United States Constitution.

**THIRD STATEMENT OF CLAIM**

46. Ms. Mack repeats and realleges each and every allegation set forth in Paragraphs 1 through 45 above as though fully set forth herein.

47. By virtue of the foregoing, Defendants Maram and Adams have violated and are violating Ms. Mack's right to procedural due process under the Due Process Clause of the Illinois State Constitution.

**WHEREFORE**, Plaintiff, Linda L. Mack (a/k/a Lynne L. Mack) prays for a judgment:

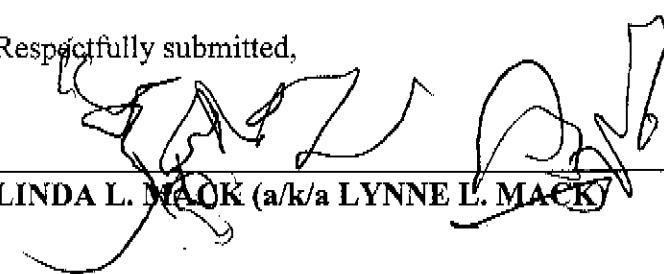
1. Declaring that the lien placed by Defendant Maram on Ms. Mack's home was and is invalid.

2. Ordering Defendants Maram and Adams to release any and all claims and/or liens on the proceeds of the sale of Ms. Mack's home that are currently being held in a TI escrow by ATG, and ordering Defendants Maram and Adams to inform ATG of said release.

3. Awarding Ms. Mack costs, reasonable attorney's fees, and penalties for unreasonable and vexatious conduct pursuant to 42 U.S.C. §1988 and other provisions of law.

4. Awarding Ms. Mack such other and further relief as this Court deems just, proper, and necessary.

Respectfully submitted,

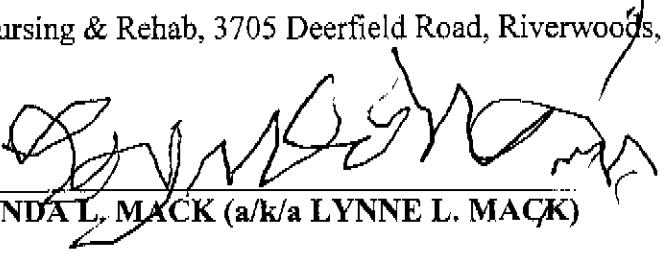
  
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LINDA L. MACK (a/k/a LYNNE L. MACK)

COUNTY OF COOK )  
) SS  
STATE OF ILLINOIS )

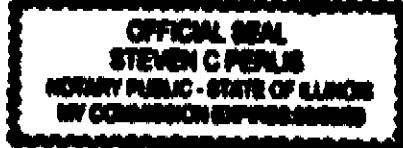
**VERIFIED SIGNATURE UNDER OATH BY PLAINTIFF**

I, Linda L. Mack (a/k/a Lynne L. Mack), being first duly sworn under oath, state and affirm that I am the Plaintiff in the above-entitled action. I have read and am thoroughly familiar with the said Verified Complaint. The foregoing Verified Complaint is true according to the best of my knowledge, information, and belief. I declare under penalty of perjury that the foregoing is true and correct.

Executed at Brentwood North Nursing & Rehab, 3705 Deerfield Road, Riverwoods, IL,  
on May 27, 2008.

  
LINDA L. MACK (a/k/a LYNNE L. MACK)

**SUBSCRIBED AND SWORN TO BEFORE ME** this 27<sup>th</sup> day of May, 2008. On the above day came Linda L. Mack (a/k/a Lynne L. Mack) who at the above place and date signed her name to the within Verified Complaint.



  
Steven C. Perlis

Notary Public  
My commission expires June 5, 2009

Respectfully Submitted,

ELDER LAW OFFICE OF STEVEN C. PERLIS & ASSOCIATES

By:

  
Steven C. Perlis

STEVEN C. PERLIS, one of her attorneys

STEVEN C. PERLIS  
HELEN MESOLORAS  
ELDER LAW OFFICE OF STEVEN C. PERLIS & ASSOCIATES, P.C.  
3345 N. Arlington Heights Road, Suite D  
Arlington Heights, IL 60004-1531  
Attorneys' Phone No. 847-818-1138  
Attorneys for Plaintiff

**LIST OF EXHIBITS**

1. Attorneys' Title Guaranty Fund, Inc. - Personal Undertaking With Title Indemnity Deposit Agreement
2. Illinois Department of Healthcare and Family Services - Notification of Intent To File a Lien
3. State of Illinois Department of Healthcare and Family Services – Lien
4. Illinois Department of Public Aid – Notification of Lien
5. Letter dated November 29, 2006, from Steve Bozee, Field Consultant, Liens and Estate Unit
6. Letter dated January 5, 2007, from Daniel Leikvold, HFS Assistant General Counsel
7. Illinois Public Aid Code § 3-10 [305 ILCS 5/3-10]
8. Closing Statement for 1653 Tahoe Circle Drive, Wheeling, Illinois
9. Settlement Statement for 1653 Tahoe Circle Drive, Wheeling, Illinois

**EXHIBIT 1**

06-8577

## ATTORNEYS' TITLE GUARANTY FUND, INC.

## PERSONAL UNDERTAKING WITH TITLE INDEMNITY DEPOSIT AGREEMENT

Attorneys' Title Guaranty Fund, Inc. (ATG<sup>®</sup>) is about to issue its title insurance policy with respect to the land described in ATG's Commitment to Insure: OMC 06060900087

ATG has noted as exception(s) on Schedule B of the above commitment (all referred to as Exceptions) the following:

# 90 ST of LLC D. of Karl Klone & Family Services

ATG has been asked to issue its title insurance policy or policies, either deleting the Exceptions or insuring against loss by reason of them.

ATG may issue either concurrently with this Personal Undertaking with Title Indemnity Deposit Agreement (the Agreement) or later and in the ordinary course of its business a title insurance policy or policies in the form or forms now or then used by ATG, either deleting the Exceptions or insuring against loss by reason of them or may be subject to liability by reason of other title companies issuing policies free of or insuring against the Exceptions.

In consideration of the issuance of the title insurance policy or policies, the undersigned, jointly and severally, for themselves, their heirs, personal representatives and assigns, covenant with ATG:

1. To forever defend and save ATG harmless from all the Exceptions, from any loss, costs, damages, attorneys' fees, and expenses of every kind that ATG may suffer, expend, or incur under, or by reason of, the title insurance policy, on account of the Exceptions, or any of them, or on account of the assertion or enforcement or attempted assertion or enforcement thereof, or of any rights existing or later arising out of, or that may at any time be claimed to exist under, the Exceptions or any of them;
2. To provide for the defense, at their own expense, on behalf of ATG and the parties to whom ATG may be liable against loss under the title insurance policy (but without prejudice to the right of ATG to defend if it elects) in all litigation consisting of actions based on any of the Exceptions that may be asserted, established, or enforced in respect to the land or any interest therein;
3. To discharge, eliminate, or satisfy all of the Exceptions by the following date: 6/1/07 (12/11/07)
4. That each provision of this Agreement shall be in force concerning all commitments and policies, whether issued by ATG or other title insurance companies where ATG may ultimately be liable by reason of subrogation or otherwise.

The undersigned deposits with ATG the sum of \$ 750.00 (the Deposit). The Deposit shall be under the absolute control of ATG to indemnify ATG as provided in this Agreement.

ATG shall have the right at any time, when it shall deem it in its interest so to do, in its sole discretion to use the Deposit in such manner and in such amounts as ATG believes necessary for the discharge, elimination, or satisfaction of any of the Exceptions, or for the purpose of acquiring any Exceptions, or for the purpose of reimbursing anyone who may have removed any Exceptions, or to reimburse ATG for any and all loss, costs, damages, attorneys' fees, and expenses of every kind that ATG may incur by reason of the title insurance policy on account of the Exceptions, or on account of the assertion or enforcement or attempted assertion or enforcement thereof, or of any rights existing under or later arising out of, or that may at any time be claimed to exist under, the Exceptions or any of them. If the Deposit has been made for purposes of deleting or insuring against loss by reason of an Exception for an Illinois revenue lien or liens, ATG shall apply the Deposit in satisfaction or release of the Exception upon written demand therefor by the Illinois Department of Revenue.

In case of litigation involving this Agreement, the costs and attorneys' fees of ATG may be paid or retained by ATG out of the Deposit. If the Deposit is insufficient, the costs and attorneys' fees shall be paid by the undersigned.

## ATTORNEYS' TITLE GUARANTY FUND, INC.

PERSONAL UNDERTAKING WITH TITLE INDEMNITY DEPOSIT AGREEMENT  
(continued)

If ATG shall find that its liability shall have increased for any reason, ATG may call on the undersigned for an additional deposit sufficient to indemnify ATG against the increase in liability. In that event, the undersigned shall promptly pay to ATG the requested deposit.

ATG shall be under no duty to invest the Deposit. ATG shall have the power and authority to commingle the Deposit with its other Deposits. All income derived from any use that ATG may make of any Deposits under this Agreement shall belong to ATG.

In the event there are other supposed rights, interests, liens, claims, encumbrances, or defects in title in addition to the Exceptions that create liability for ATG, ATG may use the Deposit to satisfy, in whole or in part, these additional matters.

In case: (1) any of the Exceptions are removed without the use of the Deposit to the satisfaction of ATG (as to which ATG shall be the sole judge); (2) any surplus remains in the hands of ATG after it shall have reimbursed itself for all loss, damages, or disbursements; the Deposit or surplus, after deducting the costs, fees for services and attorneys' fees, if any, of ATG shall on demand be paid to:

Lyne Mack

Taxpayer I.D. Number: 324-42-1345

The return of the Deposit shall not be construed as a termination or release of the Agreement nor any of the undersigned's duties or obligations under this Agreement. ATG SHALL BE ENTITLED TO FIVE WORKING DAYS NOTICE PRIOR TO ANY RELEASE OF FUNDS.

ATG shall not be under any obligation to recognize any assignment of the Deposit until the original or a signed duplicate of the assignment, accepted in writing by the assignee, is deposited with and accepted in writing by ATG.

The undersigned agrees to pay a handling charge in the amount of \$ 150.00, under this Agreement. If the Exceptions are not discharged, eliminated, or satisfied within 30 calendar days of the date set forth in paragraph (3) on the preceding page, ATG shall thereafter charge an additional handling charge to be paid out of the Deposit, or if the Deposit is insufficient, paid by the undersigned. The charge under the preceding sentence shall be \$25.00 or 10% of the amount deposited, whichever sum is greater, per year, or any part thereof.

The Deposit is for the purpose of security for the undersigned's performance of this Agreement. ATG's possession of the Deposit does not create any fiduciary obligation on the part of ATG for the benefit of the undersigned or any other party.

The failure of ATG to demand the performance by the undersigned of any duty or obligation under this Agreement shall not be construed as a waiver of ATG's right to demand performance at any later time. This Agreement is solely between ATG and the undersigned and is not intended to be nor shall it be construed to be for the benefit of any third party. This Agreement constitutes the entire agreement of and between ATG and the undersigned. Should any provision of this Agreement be held invalid or unenforceable by any court of competent jurisdiction, such finding shall not invalidate or render unenforceable any other provision contained herein.

Entered into this:

29 day of November, 2006  
Day Month Year

Lyne Mack  
Signature

Signature

32 w Bussell Ave  
Address

Address

MT Prospect, IL 60056  
City, State, Zip

City, State, Zip

Accepted by ATG

847-577-8310

By: Another Person

ATG FORM 3011  
© ATG (REV. 12/98)

FOR USE IN ALL STATES  
Page 1 of 2

**EXHIBIT 2**



Healthcare and  
Family Services

Ron K. Blagojevich, Governor

Bureau of Collections  
Technical Recovery Section  
2200 Churchill Road, Building A  
Springfield, Illinois 62702-3406

Telephone: (217) 785-8711  
TTY: (800) 526-5812

NOTIFICATION OF INTENT TO FILE A LIEN  
09/29/2006

Lynne Mack  
Brentwood North Nsg/Rehab  
3705 Deerfield Road  
Riverwoods, IL 60015

RE: 93-057-090756

We are writing to advise you that under State Law (305 ILCS 5/3-10 and/or 5/5-13.5), the Illinois Department of Healthcare and Family Services has the right to place a lien on real property you own. A lien is a legal claim on the real property. The Department places a lien on real property when:

- \* a person receives old age, blind or disability cash assistance; or
- \* a person receives old age, blind, or disability medical assistance and, because he or she has lived in one or more medical institutions for at least 120 calendar days, the Department presumes that he or she cannot reasonably be expected to be discharged and return home.

The lien is filed on homestead and non-homestead property. The amount of the Healthcare and Family Services lien is equal to:

- \* the amount of cash assistance paid out in your behalf; or
- \* if you live in a medical institution, the amount of medical assistance paid out in your behalf.

Because you have lived in a medical institution for at least 120 days, we presume you cannot reasonably be expected to be discharged and return home. Consequently, we intend to file a lien against your real property. This does not mean any action to sell your property will occur; rather, it means that if at any time there is a transfer of title to the real property (for example, when the property is sold or mortgaged), the Department will be paid on its lien.

If you do not understand this notice, talk to your caseworker or a person who can explain it to you. Your local Department of Human Services office telephone number is (847) 336-4067.

Technical Recovery Manager

SEE REVERSE SIDE FOR IMPORTANT INFORMATION

This action will not be taken if you can show that it is wrong. You may meet with a representative from your local DHS office to question this action. This meeting would be informal and you may present information or evidence. You may be represented by the person or persons of your choice. Whether or not you have such a meeting, you will still have the right to appeal the intended action.

**YOU HAVE THE RIGHT TO APPEAL THIS DECISION**

At any time within 60 days following the "Date of Notice" which appears on the front of this form, you have the right to appeal this decision and be given a fair hearing. Your appeal request must be filed in writing or by calling (Toll Free) 1-800-435-0774. At the appeal hearing, you may represent yourself or be represented by anyone else such as a lawyer, relative or friend. Your local DHS office will provide you with an appeal form and will help you fill it out if you wish.

**To apply for free legal help:**

- In the City of Chicago – Legal Assistance Foundation of Chicago (312)341-1070; Outside the City of Chicago - consult your local telephone directory for the number of the nearest legal services office:
- In Cook County, outside the City of Chicago – Cook County Legal Assistance Foundation, Inc.;
- In Northern Illinois – Prairie State Legal Services or West Central Illinois Legal Assistance;
- In Southern Illinois – Land of Lincoln Legal Assistance Foundation, Inc.

**EXHIBIT 3**

STATE OF ILLINOIS  
DEPARTMENT OF  
HEALTHCARE AND FAMILY SERVICES

## NOTICE AND CLAIM OF LIEN



INITIAL LIEN  
 RENEWAL

Doc#: 0630418095 Fee: \$26.00  
Eugene "Gene" Moore  
Cook County Recorder of Deeds  
Date: 10/31/2006 03:00 PM Pg: 1 of 1

DATE OF INITIAL LIEN  
[ ]

*COPY*

Notice is hereby given that I, Linda Shumate, Acting, acting in my official capacity of Local Office Administrator for the County of Cook, State of Illinois, and my successors in office, hereby claim and intend to hold a lien on the following described real estate, to-wit:

Unit 2-10-01 together with its undivided percentage interest in the common elements in Tahoe Village Condominium as delineated and defined in the Declaration recorded as Document Number 22270823, as amended from time to time, in the North 1/2 of the South 1/2 of Section 9, Township 42 North, Range 11, East of the Third Principal Meridian, in Cook County, Illinois.

Property address: 1653 Tahoe, Wheeling, IL  
PIN: 03-09-308-096-1138

A legal or equitable interest in said described real estate is owned by:

CLIENT NAME: LYNNE MACK

CASE ID #: 93-057-090756

ADDRESS: Brentwood North Nsg/Rehab, 3705 Deerfield Road, Riverwoods, IL 60015

This lien is claimed for all assistance paid to or on behalf of said client, under Article III and/or Article V of the Illinois Public Aid Code, and for payments made to preserve the said lien in accordance with statutory provisions.

DATE: 10/30/06

Linda M. Shumate  
LOCAL OFFICE ADMINISTRATOR

State of Illinois

} SS

----- PREPARED BY AND RETURN TO: -----

STEVE BOZEE  
Field Consultant - Liens and Estates  
3235 Belvidere Road  
Park City, Illinois 60085

County of Cook

I, ESTELLE HARDIMAN, Notary Public do hereby certify that Linda Shumate, Acting, Local Office Administrator, personally known to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she/he signed the said instrument as required by law, for the uses therein set forth.



Given under my hand and seal this  
30 day of October, A.D. 2006  
Estelle Hardiman  
Notary Public

**EXHIBIT 4**



Illinois Department of Public Aid

**NOTIFICATION OF LIEN**

93-057-90756

CASE NUMBER

Lynne Mack  
c/o Brentwood North Nursing + Rehab.  
3705 Deerfield Rd.  
Riverwoods, IL 60015

RE: Document 0630418095

We are writing to advise you that under State Law (305 ILCS 5/3-10 and/or 5/5-13.5), the Department of Public Aid must place a lien on real property when:

- a person receives old age, blind, or disability cash assistance; or
- a person receives old age, blind, or disability medical assistance and has lived in one or more medical institutions for at least 120 calendar days.

The lien is filed on homestead property and non-homestead property. The amount of the Department of Public Aid lien is equal to:

- the amount of cash assistance the Department pays out in your behalf; or
- the amount of medical assistance paid out in your behalf while you reside in a medical institution.

The Department of Public Aid has taken the following action:

Filed an initial lien against your real property.

Included in the lien already filed on your real property the amount of medical assistance paid out in your behalf while you reside in a medical institution.

This does not mean any action to sell your real property will occur; rather, it means that if and when the property is sold, Public Aid will be paid on its lien.

A copy of the lien filed against your real property is enclosed for your records.

If you have any questions, please contact your local Department of Human Services office.

ILLINOIS DEPT. OF HUMAN SERVICES  
LAKE COUNTY  
3235 WEST BELVIDERE ROAD  
PARK CITY, ILLINOIS 60085-6017

Victoria Yaneff  
Local Office Administrator

Local Office Stamp

**EXHIBIT 5**



ILLINOIS DEPARTMENT OF  
Healthcare and  
Family Services

Rod R. Blagojevich, Governor  
Barry S. Maram, Director

Bureau of Collections  
Technical Recovery Section  
3235 Belvidere Rd.  
Park City, Illinois 60085-6017

Telephone: (847) 338-4067  
TTY: (800) 628-5812  
Fax: (847) 338-7286

November 29, 2006

Steve Perlls, Attorney At Law  
3345 N Arlington Heights Road, Suite D  
Arlington Heights, IL 60004

Case Name: Mack, Lynne  
Case Number: 93-057-090756  
Property Address: 1653 Tahoe, Wheeling, IL

Dear Mr. Perlls,

In response to your recent request, we are advising you that the actual amount of cash and/ or medical assistance issued to Lynne Mack during the period of February 2008 through 11/29/2008 is \$22,861.26.

Upon payment of the above to the Illinois Department of Healthcare and Family Services, a release will be issued for all liens the Department has filed against this property for this client, namely:

Documents (s)  
0830418095

Payments should be made payable to the Illinois Department Healthcare and Family Services, and forwarded to 3235 W. Belvidere Rd., Park City, IL 60085-6017 attention: Steve Bozee, Field Consultant. Please enclose a copy of this letter and a copy of the closing statement with your remittance.

Sincerely,

A handwritten signature in black ink that reads "Steve Bozee".

Steve Bozee, Field Consultant  
Liens and Estate Unit

**EXHIBIT 6**



**Rod R. Blagojevich, Governor  
Barry S. Maram, Director**

201 South Grand Avenue East  
Springfield, Illinois 62763-0002

**Telephone:** (217) 782-1233  
**TTY:** (800) 526-5812

January 5, 2007

Mr. Steven C. Perlis  
3345 North Arlington Heights Rd., Suite D  
Arlington Heights, Illinois 60004  
[www.perliselderlaw.com](http://www.perliselderlaw.com)

Re: Lynne Mack

Dear Steve:

This is in response to your letter requesting the Department waive its lien on property owned by your client, Lynne Mack. Your client intends to sell the property and wishes to place proceeds not used to pay for medical expenses into a pooled special needs trust.

I discussed this matter with the Department's Bureau of Collections, which handles liens for the Department. We agree that there is no basis for the Department to waive or release its lien in this case. Proceeds from the sale of property, including homestead property, are considered available to pay for the care of an individual. Such proceeds may be placed into a special needs trust, but any Department lien or charge must be satisfied first before such a trust can be exempted from consideration.

Sincerely,

Daniel C. Leikvold  
Assistant General Counsel

DCL:ds

cc: Janet Steele

**EXHIBIT 7**

305 ILCS 5/3-10

Sec. 3-10. Lien on real property interests. Subject to the provisions of Sections 3-10.1 to 3-10.10, inclusive, the State shall have a lien upon all legal and equitable interests of recipients in real property, whether vested or contingent, including legal and equitable rights and interests of the recipient to coal, gas, oil, iron and other underground mineral resources, for basic maintenance grants paid under this Article, and for payments made to preserve the lien as provided in Section 3-10.5. The lien shall attach to such interests owned or subsequently acquired by persons who were recipients on or after the effective date of this Code, and in respect to which interests a notice of lien has been recorded or filed as provided in Sections 3-10.2 and 3-10.3.

Liens recorded or filed under the provision of Article VIII-A of the 1949 Code for which the period of enforceability has not expired shall not be affected by the enactment of this Code.

**EXHIBIT 8**

LAW OFFICES  
**NORMAN I. KURTZ, LTD.**  
 A PROFESSIONAL CORPORATION  
 32 WEST BUSSE AVENUE  
 MT. PROSPECT, ILLINOIS 60046

(847) 577-8310  
 FAX (847) 577-4216

PROPERTY: 1653 Tahoe Circle Dr., Wheeling, IL  
 SELLERS: Lynne Mack  
 SELLERS' ATTORNEY: Norman I. Kurtz  
 BUYERS: Kimberly Mack & Michael Mollerino  
 BUYERS' ATTORNEY: Edmund Wohlmuth  
 DATE OF CLOSING: November 29, 2006  
 DATE OF POSSESSION: November 29, 2006

CLOSING STATEMENT

	<u>CREDIT BUYER</u>	<u>CREDIT SELLER</u>
PURCHASE PRICE		\$195,000.00
EARNEST MONEY	\$ 1,000.00	
PAYOFF - U.S. Bank through 11/30/06		87,834.80
REAL ESTATE TAXES (105%) 2005 (paid in full \$2,423.80) 2006 - 1/1/06 through 11/29/06 333 days at \$6.97 per day		2,321.01
REVENUE STAMPS State	195.00	
County	97.50	
ASSOCIATION (\$250.00/month) 11/29/06 through 11/30/06 1 days at \$8.33 per day		8.33
TAHOE VILLAGE CONDO ASSOCIATION (assessment letter)	400.00	
UPS (payoff)	20.00	
SELLERS' TITLE CHARGES	1,084.50	
SELLERS' ATTORNEY'S FEES	600.00	
SUB-TOTAL:	<u>\$ 93,552.81</u>	<u>\$195,008.33</u>
CASH TO BALANCE:	<u>101,455.52</u>	<u>-0-</u>
	<u>\$195,008.33</u>	<u>\$195,008.33</u>

APPROVED: SELLER

*Lynne I. Mack*

APPROVED: BUYERS

*Edmund Wohlmuth*  
*Kimberly Mack*

\* \* \* \* \*

SELLER'S SETTLEMENT:

EARNEST MONEY ON DEPOSIT .....	\$ 1,000.00
CASH TO BALANCE .....	<u>101,455.52</u>
TOTAL PROCEEDS FROM SALE .....	<u>\$102,455.52</u>

*less 35,000 to escrow  
 & 150 to title cost*

**EXHIBIT 9**

Dec. 8, 2006 1:54 PM	Case 1:06-cv-03127 Document 1 Filed 05/30/08 Page 30 of 32	Industries, Inc. Settlement Statement	No. 9292-001	
1. South Wacker 28th Floor Chicago, IL 60606-4654 (312) 972-8381	2408 Windsor Place P.O. Box 8190 Champaign, IL 61820-8190 (217) 368-2000	3000 South Highland Ave Suite 520 Lombard, IL 60148-5363 (800) 627-7441	120 West Main Street Suite 110 Belleville, IL 62220-1854 (618) 277-8440	
ATTORNEYS' TITLE GUARANTY FUND, INC.		4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Condo Ins.	6. <input type="checkbox"/> Seller Finance
		7. File Number 060600900087	8. Loan Number 02-21-32271	
6. Mortgage Ins Case Number				

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.o.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name and Address of Borrower <b>MICHAEL A. MOLLERDINO and KIMBERLY H. MACK</b>	E. Name, Address, and Tax ID Number of Seller <b>LYNNE L. MACK</b> 1653 Tahoe Circle Drive Wheeling, IL 60090	F. Name and Address of Lender <b>Hoynes Savings Bank</b> 4786 North Milwaukee Avenue Chicago IL 60630
--	--	--

G. Property Location (Complete address, including legal description, if necessary):  <b>1653 TAHOE CIRCLE DRIVE WHEELING, IL 60090</b>	H. Settlement Agent Name, Address and Tax ID Number <b>Attorneys' Title Guaranty Fund, Inc.</b> 2408 Windsor Place Champaign, IL 61820 Tax ID: 37-1222620 Closer: <b>KATHLEEN PELLEGRINI</b>
--	---

I. Settlement Date <b>11/29/2006</b>	J. Settlement Agent <b>ATG Mount Prospect</b> 350 West Washington Road, Suite 102 Mount Prospect, IL 60056	K. Settlement Agent <b>ATG Mount Prospect</b> 350 West Washington Road, Suite 102 Mount Prospect, IL 60056
---	---	---

J. Summary of Borrower's Transaction	K. Summary of Seller's Transaction
100. Gross Amount Due from Borrower	400. Gross Amount Due to Seller
101. Contract Sales Price	401. Contract Sales Price
102. Personal Property	402. Personal Property
103. Settlement Charges to borrower	403.
104.	404.
105.	405.

Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. County property taxes		406. County property taxes	
107. County property taxes		407. County property taxes	
108. Special Assessment		408. Special Assessment	
109. Homeowner Acc Dues	11/29/06 thru 11/30/06	409. Homeowner Acc Dues	11/29/06 thru
110. Flood insurance		410. Flood insurance	11/30/06
111. Other taxes		411. Other taxes	
112.		412.	
113.		413.	
114.		414.	
115.		415.	
116.		416.	
120. Gross Amount Due From Borrower	8195.000.00	420. Gross Amount Due to Seller	8195.000.00

200. Amounts Paid By Or In Behalf Of Borrower		400. Reductions In Amount Due to Seller	
201. Deposit or earnest money	\$1,000.00	501. Earnest money held by seller	\$1,000.00
202. Principal amount of new loan(s)	\$1,86,000.00	502. Settlement Charges to Seller (line 400)	\$1,997.00
203. Existing loan(s) taken subject to		503. Existing Loan(s) Taken Subject to	
204. Loan Amount 2nd Lien		504. Payoff of first mortgage loan	\$87,834.80
205.		505. Payoff of second mortgage loan	
206.		506. Earnest money	
207.		507.	
208.		508.	
209.		509.	

Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. County property taxes	01/01/06 thru 11/29/06	510. County property taxes	01/01/06 thru 11/29/06
211. County property taxes		511. County property taxes	
212. Special Assessment		512. Special Assessment	
213. Homeowner Acc Dues		513. Homeowner Acc Dues	
214. Flood insurance		514. Flood insurance	
215. Other taxes		515. Other taxes	
216.		516. Association Fees	\$400.00
217.		517. Title indemnity	\$36,000.00
218.		518. T.I. Fee	\$1,50.00
219.		519.	
220. Total Paid By/For Borrower	\$159,321.01	520. Total Reduction Amount Due Seller	\$128,702.8
300. Cash At Settlement From/To Borrower		600. Cash At Settlement To/From Seller	
301. Gross Amount Due From Borrower (line 120)	\$197,114.00	601. Gross Amount Due to Seller (line 520)	\$195,008.3
302. Less amounts paid by/for borrower (line 220)	\$159,321.01	602. Less reductions in amt. due seller (line 520)	\$138,702.8
303. Cash From Borrower	\$37,792.99	603. Cash To Seller	\$56,308.7

Previous Edition is Obsolete

Line	Description	Amount	Entered by	Paid From Seller's Funds at Settlement
700. Total Sales/Broker's Commission	\$195,000.00			
Division of Commission (line 700) as follows:				
701.	to			
702.	to			
703. Commission Paid at Settlement				\$0.00 \$0.00
800. Items Payable in Connection with Loan				
801. Loan Origination Fee Percent	to			
802. Loan Discount	to			
803. Appraisal Fee	to Hoyne Savings Bank			\$250.00
804. Credit Report	to Hoyne Savings Bank			\$100.00
805. Lender's Inspection Fee	to			
806. Application Fee	to			
807. Assumption Fee	to			
808. Document Preparation Fee	to			
809. Tax Service Fee	to			
810. Flood Certification Fee	to Hoyne Savings Bank			\$12.50
900. Items Required by Lender To Be Paid in Advance				
901. Interest from 11/29/2006 to 11/30/2006 @ \$27.08/day				\$54.17
902. Mortgage Ins Premium for month	to			
903. Hazard Ins Premium for years	to			
904. 2009 Taxes	to Cook County Collector	POC (S) \$2,413.80		
1000. Reserves Deposited With Lender				
1101. Hazard insurance	months @ per month			
1102. Mortgage insurance	months @ per month			
1103. County property taxes	months @ per month			
1104. County property taxes	months @ per month			
1105. Special Assessment	months @ per month			
1106. Homeowner Ass Dues	months @ per month			
1107. Flood Insurance	months @ per month			
1108. Other taxes	months @ per month			
1111. Aggregate RESERVE Adjustment				
1100. Title Charges				
1101. Closing/Escrow Fee	to ATG			\$525.00 \$0.00
1102. Environmental Lien Protection Endorse.	to ATG/Norman L. Kurz			\$110.00 \$0.00
1103. ARM Endorsement	to			
1104. Condominium Blanket I Endorsement	to ATG/Norman L. Kurz			\$110.00 \$0.00
1105. Location Note	to			
1106. Buyer's Attorney Fee	to Ed Wohlmut			
1107. Seller's Attorney Fees	to Norman L. Kurz			
(Includes above item numbers:				
1108. Title Charges	to ATG/Norman L. Kurz			\$280.00 \$975.00
(Includes above item numbers:				
1109. Lender's coverage	\$186,000.00 / \$280.00			
1110. Owner's coverage	\$195,000.00 / \$975.00			\$70.00 \$70.00
1111. Opp Risk Update	to ATG/Norman L. Kurz			
1200. Government Recording and Transfer Charges				
1201. Recording Fee - Mortgage Deed \$36.50	to Mortgage \$64.80	Releases		
1202. County tax stamps	Deed \$97.50	to ATG Fees and Transfers		
1203. State tax stamps	Deed \$195.00	to ATG Fees and Transfers		
1204. City tax stamps	to			
1205. Record Assignment of Mortgage	to			
1206. Release Status Verification Fee	to ATG Fees and Transfers			\$3.00 \$3.00
1207. State Regulatory Fee	to ATG Fees and Transfers			
1208. Payoff Handling Delivery Fee	to ATG Fees and Transfers			
1300. Additional Settlement Charges				
1301. Survey	to			
1302. Pest Inspection	to			\$40.00
1303. Courier Fee	to KATHLEEN PELLECRINI			
1304.	to			
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)				\$1,105.67 \$1,997.00

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a completed copy of pages 1 to 7 of this HUD-1 Settlement Statement.

  
MICHAEL A. MOLLERINO

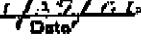
  
LYNNE L. MACK

  
KIMBERLY H. MACK

#### SETTLEMENT AGENT CERTIFICATION

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement.

  
Settlement Agent

  
Date

Warning: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

Special Instructions: \_\_\_\_\_

**SELLER INSTRUCTIONS:** If this real estate was your principal residence, file Form 2119, Sale or Exchange of Principal Residence, for any gain, with your income tax return; for other transactions, complete the applicable parts of Form 4797, Form 6252, and/or Schedule D (Form 1040).

ATTORNEYS' TITLE GUARANTY FUND, INC.

Previous Edition is Obsolete HUD-1 (3/91)